UMB BALANCED FUND LTD

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2023

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Ernest Pascal Gemadzie (Chairman) Mrs. Nelly Naki Gome Abotchie Miss Rosina Obeng
REGISTERED OFFICE	No. 1 Abdul Diouf Street South Ridge P. O. Box CT 1317 Accra
SECRETARY	Miss Miriam Azu HNo 15A 2nd Avenue Extension, Acrra Ledzokuku Krowor, Greater Accra - Ghana
BANKERS	Universal Merchant Bank Limited Consolidated Bank Ghana Limited Stanbic Bank Limited
FUND MANAGER	UMB Investment Holdings LTD
CUSTODIAN	Stanbic Bank Limited
AUDITORS	Kwame Asante & Associates Chartered Accountants P. O. Box 58 Trade Fair Centre Accra

REPORT OF THE DIRECTORS
TO MEMBERS OF UMB BALANCED FUND LTD

The Directors present their report and the financial statements of the Fund for the year ended 31 December 2023.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of financial statements that give a true and fair view of UMB Balanced Fund Ltd, comprising the statement of financial position as at 31 December 2023, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992), the Securities Industry Act, 2016 (Act 929) and the Unit Trust and Mutual Fund Regulations, 2001 (L.I. 1695). In addition, the Directors are responsible for the preparation of the report of the Fund.

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the Fund to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The Auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

NATURE OF BUSINESS

The Fund is registered to carry on the business of mobilising funds for investment in money market instruments, listed equities, and other regulated financial instruments, with the possibility of high earnings. There was no change in the nature of business of the Fund during the year.

FINANCIAL STATEMENTS

The state of affairs of the Fund is as follows:

	2023 GH¢	2022 GH¢
Increase in net Assets attributable to holders of redeemable shares before tax	3,239,911	2,460,983
Increase in net Assets attributable to holders of redeemable shares, net of tax & OCI	401,472	2,455,067
Total assets	26,454,801	28,250,354
Total liabilities	997,908	1,914,104
Total equity	25,456,821	26,336,250

The Directors consider the state of the Fund's affairs to be satisfactory.

PARTICULARS OF ENTRIES IN THE INTERESTS REGISTER DURING THE FINANCIAL YEAR

The Fund did not maintain an Interests Register because no Director had interest in any contract.

REPORT OF THE DIRECTORS
TO MEMBERS OF UMB BALANCED FUND LTD (CONT'D)

CORPORATE SOCIAL RESPONSIBILITY

The Fund did not undertake any Corporate Social Responsibility (CSR) programmes during the year.

CAPACITY BUILDING OF DIRECTORS TO DISCHARGE THEIR DUTIES

On appointment to the Board, Directors are provided with full, formal and tailored programmes of induction, to enable them gain in-depth knowledge about the Fund's business, the risks and challenges faced, the economic knowledge and the legal and regulatory environment in which the Fund operates. Programmes of strategic and other reviews, together with the other training programmes provided during the year, ensure that Directors continually update their skills, knowledge and familiarity with the Fund's businesses. This further provides insights about the industry and other developments to enable them effectively fulfil their role on the Board and committees of the Board.

AUDIT FEES

The audit fee for the year was GH¢ 33,623 (2022: GH¢ 25,000).

APPROVAL OF THE REPORT OF THE DIRECTORS

The report of the Directors of UMB Balanced Fund Ltd, was approved by the board of Directors on 25/3/24 and signed on their behalf by:

....	....
SIGNATURE	**SIGNATURE**
ERNEST PASCAL GBEMADZIE	NELLY NAKI GOME-ABOTCHIE
NAME	**NAME**

REPORT OF THE INDEPENDENT AUDITOR

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UMB Balanced Fund Ltd ("the Fund"), which comprise the statement of financial position at 31 December 2023, and the statements comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 32.

In our opinion, these financial statements give a true and fair view of the financial position of UMB Balanced Fund Ltd at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992), the Securities Industries Act, 2016 (Act 929) and the Unit Trust and Mutual Fund Regulations, 2001 (L.I. 1695).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Directors are responsible for the other information. The other information comprises Corporate Information and the Report of the Directors as required by the Companies Act, 2019 (Act 992) but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITOR (CONT'D)

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992), the Securities Industries Act, 2016 (Act 929) and the Unit Trust and Mutual Fund Regulations, 2001 (L.I. 1695) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

REPORT OF THE INDEPENDENT AUDITOR (CONT'D)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992)

We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.
In our opinion, proper books of account have been kept, so far as appears from our examination of those books.

The statements of financial position and comprehensive income are in agreement with the accounting records and returns.

We are independent of the Fund under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The engagement partner on the audit resulting in this independent auditor's report is [Richard Kobina Sakyi Hagan].

Kwame Asante & Associates
....
Signed by: Richard Kobina Sakyi Hagan (ICAG/P/1422)
For and on Behalf of:

KWAME ASANTE & ASSOCIATES (ICAG/F/2024/056)
CHARTERED ACCOUNTANTS
NO 5TH CRESCENT ASYLUM DOWN
Accra

Date......25/3/24.......

STATEMENT COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 GH¢	2022 GH¢
Interest Income (Effective Interest Method)	8	3,819,641	3,817,042
Net Income from (FI of FVTPL)	10	32,991	(34,806)
Total Revenue		**3,852,632**	**3,782,236**
Fund Management Fees	17	(669,169)	(672,473)
Auditors Remuneration		(33,623)	(25,000)
Custodian Fees		(101,714)	(102,216)
Directors Fees		(47,354)	(17,550)
Impairment Losses on Financial Instruments		265,495	(479,626)
Other Expenses	9	(26,356)	(24,388)
Total Operating Expenses		**(612,721)**	**(1,321,253)**
Increase in Net Asset Attributable to Holders of Redeemable Shares Before Tax		**3,239,911**	**2,460,983**
Withholding Tax Expenses		(1,208)	(5,916)
Changes in Fair value of GOG instruments		(2,837,231)	-
Increase in Net Asset Attributable to Holders of Redeemable Shares After Tax & OCI		**401,472**	**2,455,067**

The accompanying notes on pages 13 to 35 forms part of these financial statements and should be read in conjunction therewith.

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

ASSETS	Notes	2023 GH¢	2022 GH¢
Current Assets:			
Cash and Cash Equivalent	20	935,714	538,966
Government Securities	12	7,516,794	9,768,314
Fixed Deposit	13	11,395,423	11,354,095
Amalgamated Mutual Fund		5,862,897	5,862,897
Investment in Listed Equities	14	743,974	726,082
Total Assets		**26,454,801**	**28,250,354**
Equity			
Share Capital	16	15,294,861	16,570,860
Retained Earning	19	10,161,960	9,765,390
Total Equity		**25,456,821**	**26,336,250**
Liabilities			
Accounts Payable	15	997,980	1,914,104
Total Liabilities		**997,980**	**1,914,104**
Total Liabilities & Equity		**26,454,801**	**28,250,354**

The Authority's Governing Board approved these financial statements on 25/3/24

SIGNATURE

SIGNATURE

Ernest Pascal Gemadzie
Name

NELLY NAKI GOMÉ ABOTCHIE
Name

The accompanying notes on pages 12 to 35 form part of these financial statements and should be read in conjunction therewith.

STATEMENT OF CHANGES IN ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 GH¢	2022 GH¢
Balance at 1 January		26,336,251	25,227,525
Balance as at 1 January		**26,336,251**	**25,227,525**
Prior Year Adjustment (AGM FEES)		(4,902)	-
Increase in Net Asset Attributable to Holders of Redeemable Shares Net Tax		401,472	2,455,067
Contributions and Redemptions by Holders of Redeemable Shares:			
Issue of Redeemable Shares During the year	16	491,472	2,788,043
Redemptions of Redeemable Shares During the year	16	(1,767,471)	(4,134,384)
Total Contributions and Redemptions by Holders of Redeemable Shares		(1,275,999)	(1,346,341)
Balance as at 31 December		**25,456,821**	**26,336,251**

The accompanying notes on pages 13 to 35 forms part of these financial statements and should be read in conjunction therewith.

STATEMENT OF CASHFLOW
FOR THE PERIOD ENDED 31 DECEMBER 2023

		2023 GH¢	2022 GH¢
Interest Income		2,864,905	1,289,953
Dividend Received		13,892	68,033
Realized gain on Financial Asset at FVTPL		-	-
Operating Expenses Paid		(1,824,121)	(77,988)
Purchase of Government Securities		(4,880,308)	(1,782,988)
Purchase of Fixed Deposit		-	-
Amalgamated Trust Fund investments proceeds		-	912,247
Proceeds from redemption of Fixed Deposit		2,485,843	1,811,072
Proceeds from sale of Government Securities		5,346,344	137,000
Redemption CDH Investments		-	-
Accounts Payable		-	-
Purchase of Investment in Listed Equities		-	-
Cash Generated from Operating Activities		**4,006,553**	**2,357,329**
Financing Activities			
Proceeds from Issue of Redeemable Shares	16	491,472	2,788,042
Payment on Redemption of Redeemable Shares	16	(1,767,471)	(4,134,384)
Net Cash (used in) Generating Finance Activities		**(1,275,999)**	**(1,346,342)**
Cash and Cash equivalents at beginning of the year		538,966	(472,021)
Increase in Cash and Cash Equivalents		396,748	1,010,987
Increase/(Decrease) in Cash and Cash Equivalents as at 31 December		**935,714**	**538,966**

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

UMB Balanced Fund Ltd is a limited liability company incorporated and domiciled in Ghana. The principal activity of the Fund is to create a pool of funds and invest these funds in a range of securities.

The Fund is an open-ended mutual fund which is aimed at mobilising funds for investment in money market instruments, listed equities, and other regulated financial instruments, with the possibility of high earnings.

The investment activities of the Fund are managed and administered by UMB Investment Holdings Ltd, the Fund Manager, with Stanbic Bank Limited as the custodian of the Fund.

The financial statements for the year ended 31 December 2023 comprise the individual financial statements of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Additional information required under the Companies Act, 2019 (Act 992),the Securities Industry Act 2016 (Act 929) and the Unit Trust and Mutual Fund Regulations, 2001 (L.I. 1695), have been included, where appropriate. They were authorised for issue by the Fund's board of directors on ....

The Fund was in compliance with the requirements of the Companies Act, 1963 (Act 179) until it was replaced with a new Companies Act, 2019 (Act 992) on 2 August 2019.

Details of the Fund's accounting policies are included in Note 4

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for financial instruments at fair value through profit or loss (FVTPL) which are measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Ghana Cedis (GH¢), which is the Fund's functional and presentation currency.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of revision and future periods, if the revision affects both current and future periods.

Information about assumptions and estimation uncertainties at 31 December 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next year is included in Note 7 and relates to the determination of fair value of financial instruments with significant unobservable inputs.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

A number of new standards were effective from 1 January 2019, but they do not have a material effect on the Fund's financial statements.

The Fund has consistently applied the accounting policies as set out in note 4 to all periods presented in these financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The Fund has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise (See also note 3).

4.1 Interest

Interest income and expense presented in the statement of comprehensive income comprise interest from financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis.

The `effective interest rate ` is the rate that exactly discounted the estimated future cash payment or receipts through the expected life of the financial instruments to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate on the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

4.2 Dividend income and dividend expense

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date on which the shareholders approve the payment of a dividend. Dividend income from equity securities at FVTPL is recognised in profit or loss within the `net income from financial instruments at FVTPL`.

The Fund incurs expenses on short positions in equity securities equal to the dividends due on these securities. Such dividend expense is recognised in profit or loss within the `net income from financial instruments at FVTPL` when the shareholders' right to receive payment is established.

4.3 Net income from financial instruments at FVTPL

Net income from financial instruments at FVTPL includes all realised and unrealised fair value changes, dividends paid on securities sold short and foreign exchange differences, interest and dividend income, including dividend expense on securities sold short.

Net realised gain from financial instruments at FVTPL is calculated using the average cost method.

4.4 Fees and commission expenses

Fees and commission expenses are recognised in profit or loss as the related services are performed.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, balances held with Banks and highly liquid financial assets with original maturities of three (3) months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Fund in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost.

4.6 Tax

Under the current system of taxation in Ghana, the Fund is exempt from paying income taxes. However, dividend income received by the Fund is subject to withholding tax. During the year, the withholding tax rate applicable to dividend income was 8% (2022: 8%). Income that is subject to such tax is recognised gross of the taxes and the corresponding withholding tax is recognised as tax expense.

4.7 Foreign currency

Transactions in foreign currencies are translated into the functional currency using the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net income from financial instruments at FVTPL.

4.8 Financial assets and liabilities

4.8.1 Recognition and initial measurement.

The Fund initially recognises financial assets and liabilities at FVTPL on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instruction. Other financial assets and liabilities are recognised on the date which they are originated
A financial asset or liability is measured initially at fair value plus, for an item not at FVTPL, transactional costs that are directly attributable to its acquisition or issue.

4.8.2 Classification and subsequent measurement.

On initial recognition, the Fund classifies financial assets at amortised cost, FVTPL or FVOCI
A financial asset is measured at amortised cost if it meets both of the following conditions and it is not designated as at FVTPL or FVOCI

- it is held within a business model whose objective is to hold assets to collect contractual cash flow; and
- its contractual terms give rise on specified date to cash flows that are SPPI.

All other financial assets of the Fund are measured at FVTPL or FVOCI

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Financial assets and liabilities (cont'd)

4.8.2 Classification and subsequent measurement (cont'd)

Business model assessment

In making an assessment of the objective of the business model a financial asset is held, the Fund considers all the relevant information about how the business is managed, including;

- the documented investment strategy and the execution of this strategy in practise. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of financial assets to the duration of any related financial liabilities or expect cash outflows or realising cash flows through the sale of the assets
- how the performance of the portfolio is evaluated and reported to the Fund's management.
- the risk that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed.
- how the investment manager is compensated e.g. whether compensation is based on the fair value of asset managed or contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets prior periods, the reasons for such sales and expectation about future sales activity.
  Transfer of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets.

The Fund has determined that it has two business models.

- *Held-to-collect business model*: this includes cash and cash equivalent and investment in fixed deposits. These financial assets are held to collect contractual cash flow.
- *Other business model*: this includes equity investments. These financial assets are managed and their performance evaluated, on fair value basis, with frequent sales taking place.

Assessment whether contractual cash flow is SPPI

For the purpose of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and other basic lending risks and costs (e.g. liquidity risk and administrative costs),as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instruments. This includes assessing whether the financial asset contains contractual term that could change the timing of contractual cash flows such that it would not meet this condition. In making this assessment, the Fund considers:

- contingent events that could change the amount or the timing of cash flow;
- leverage features;
- prepayment and extension features;
- terms that limits the Fund's claims to cash flow from specialised assets (e.g. non-recourse features); and
- features that modify considerations of time value of money (e.g. periodical reset of interest rates).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Financial assets and liabilities (cont'd)

4.8.2 Classification and subsequent measurement (cont'd)

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of first reporting period following the change in business model.

Subsequent measurement of financial assets

Financial assets at FVTPL – These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income and expense and foreign exchange gains and losses are recognised in profit or loss in 'net income from financial instrument at FVTPL' in the statement of comprehensive income.

Investment in listed equities is included in this category

Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in 'interest income calculated using the effective interest method', foreign exchange gains and losses are recognised in 'net foreign exchange loss' and impairment is recognised in 'impairment losses on financial instruments' in the statement of comprehensive income. Any gain or loss on de-recognition is also recognised in profit or loss.

Cash and cash equivalent, government securities and fixed deposit are included in this category.

Financial Liabilities - Classification, subsequent measurement and gains and losses

A financial liabilities are classified as measured at amortised cost. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss. Financial liabilities measured at amortised cost include accrued expenses and other payables.

4.8.3 Fair value measurement

`Fair value` is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund access at the date. The fair value of a liability reflects its non-performance risk.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Financial assets and liabilities (cont'd)

4.8.3 Fair value measurement (cont'd)

The Fund measure instruments quoted in an active market at a mid-price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in prising transaction.

The Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

4.8.4 Amortised cost measurement.

The `amortised cost` of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on intimal recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

4.8.5 Impairment

The Fund recognises loss allowance for ECLs on financial assets measured at amortised cost. The Fund measures loss allowance at amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and

- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Fund is full, without recourse by the Fund to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

The Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'.
Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a

financial instrument.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Financial assets and liabilities (cont'd)

4.8.5 Impairment (cont'd)

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to the credit risk.

4.8.5.1 Measurement of ECLs

ECLS are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive).

ECLS are discounted at the effective interest rate of the financial assets.

4.8.5.2 Credit-impaired financial assets

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit –impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

4.8.5.3 Presentation of allowance foe ECLs in the statement of financial position

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

4.8.5.4 Write-off

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

4.8.6 Derecognition

The Fund derecognises a financial assets when the contractual rights to the cash flows from the asset expire, or it transfers the rights receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognisiton of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

4.8 Financial assets and liabilities (cont'd)

The Fund enters into transactions whereby it transfers asset recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risk and rewards include sale and repurchase transaction.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

4.8 7 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a legally enforceable right to offset the amounts and intend either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

4.9 Share capital

4.9.1 Redeemable shares

The Fund classifies financial instruments issued as financial liabilities or equity instrument in accordance with the substance of the contractual terms of the instruments.

The Fund's redeemable shares provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net asset at daily redemption date and also in the event of liquidation.

A profitable financial instrument that includes a contractual obligation for the Fund to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all the following conditions:

- it entitles the holder to a pro rate shares of the Fund's net assets in the event of the Fund's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instrument;
- all financial instruments in the class of the instruments that is subordinate to all other classes of instruments have identical features;

- apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, changes in the recognised assets or the changes in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

4.9 Share capital (cont'd)

4.9.1 Redeemable shares (cont'd)

The Fund's redeemable shares meets these conditions and are classified as equity. Incremental cost directly attributable to the issue or redemption of redeemable shares are recognised directly in equity as a deduction from the proceeds or part of the acquisition cost.

4.9.2 Repurchase of redeemable shares

When redeemable shares recognised as equity are redeemed, the par value of the shares is presented as a deduction from share capital.

5. FINANCIAL RISK MANAGEMENT

The Fund maintains positions in a variety of non-derivative financial instruments in accordance with its investment management strategy. The primary investment strategy of the Fund includes:

- Offer a well-diversified blend of securities to the Fund in such a way that the Fund's portfolio will be well cushioned to withstand any market volatility;
- Invest in high earning and carefully selected money market instruments;
- Invest in shares of high growth and strategic sectors of the economy and equity linked projects; and
- Periodically review and modify investments and investment strategies as market conditions change.

The Fund's investment portfolio comprises listed equities, fixed deposits and non-derivative financial instruments.

The Fund's investment manager has been given discretionary authority to manage the assets in line with the Fund's investment objectives. In instances where the portfolio has diverged from target asset allocations, the Fund's investment manager is obliged to take immediate actions to rebalance the portfolio in line with the established targets.

The risks arising from financial instruments to which the Fund is exposed are financial risks, which include credit risk, market risk and liquidity risk.

5.1 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from non-derivative financial instruments held by the Fund and cash and cash equivalents.

The Fund is also exposed to other credit risks arising from investments in government securities and other exposures arising from its trading activities ('trading exposures'), including non-equity trading portfolio assets.

5.1.1 Concentration of credit risk

The investment manager reviews the credit concentration of debt securities held based on counterparties and industries. At the reporting date, the Fund's debt securities exposures were concentrated in the following industries.

	2023 GH¢	2022 GH¢
Private Institution:		
Fixed Deposit	11,395,423	11,354,095
Cash & Cash Equivalents	935,714	538,966
	12,331,136	**11,893,061**
Government:		
Government Securities	7,516,794	9,768,314
	7,516,794	**9,768,314**

Cash and cash equivalents

The bank balances are held with credit worthy banks regulated by the Bank of Ghana.

Cash and cash equivalents

The bank balances are held with credit worthy banks regulated by the Bank of Ghana. No impairment has been recognised with respect to bank balances in the current year (2022: Nil).

5. FINANCIAL RISK MANAGEMENT (CONT'D)

5.1 Credit risk (cont'd)

5.1.2 Amount arising from ECL

Impairment on fixed deposits and government securities balance has been measured on 12-month expected loss basis and reflects the short maturities of the exposures. The Fund consider that these exposures have low credit risk based on the external credit rating of the Government of Ghana and external credit information of the other counterparties.

The Fund monitors changes in credit risk on these exposures by tracking published external credit ratings of the Government of Ghana and other counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Fund supplements it by reviewing changes in bond yields, where available together with available press and regulatory information about counterparties.

12-month and lifetime probabilities of default are based on historical data supplied by rating agency for each credit rating. Loss given default parameters generally reflect an assumed recovery rate of 40%. However, if the asset were credit-impaired, then the estimate of loss would base on a specific assessment of expected cash shortfalls and on the original effective interest rate.

5.2 Market risk

Market risk is the risk that changes in market prices – such as interest rates, foreign exchange rates, equity prices and credit spreads will affect the Fund's income or the value of its holding of financial instruments. The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The primary investment objective of the Fund is to seek growth and create value for shareholders by investing in money market instruments, listed equities, and other regulated financial instruments. The Fund's market risk is managed on a daily basis by the Fund Manager in accordance with the policies and procedures in place. In managing market risk, the Fund Manager shall not engage in any hedging transactions or borrowing on behalf of the Fund for the purpose of acquiring securities or properties unless approved by the Board of Directors of the Fund. However, borrowing may be done for the purpose of ensuring liquidity, if the need arises. This may not be more than 10% of the total net assets of the Fund.

5.2.1 Interest rate risk

Interest rate risk is the exposure of current and future earnings and capital to adverse changes in the level of interest rates. Exposure to interest rate risk can result from a variety of factors, including:

- differences between the timing of market interest rate changes and the timing of cash flows (repricing risk);
- changes in the shape of market interest rate curves producing different effects on yields on similar instruments with different maturities (yield curve risk);
- changes in the level of market interest rates producing different effects on rates received or paid on instruments with similar repricing characteristics (basis risk); and
- interest-related options embedded in contracts with customers.

The Fund uses gap analysis to measure its exposure to interest rate risk. Through this analysis, it compares the values of interest rate sensitive assets and liabilities that mature or reprice at various time periods in the future.

5.2 Market risk (cont'd)

5.2.1 Interest rate risk (cont'd)

The Fund may make judgemental assumptions about the behaviour of assets and liabilities which do not have specific contractual maturity or repricing date.

The table below summarises the repricing profiles of the Fund's financial instruments and other assets and liabilities at 31 December 2023. Items are allocated to time periods by reference to the earlier of the next contractual interest rate repricing and maturity dates.

At 31 December 2023	Up to Month	1-3 Months	3-12 Months	Over One Years	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Government Securities:	-	-	-	743,974	743,974
Fixed Deposit /Mutual Fund	688,079	4,867,538	5,839,806	5,862,897	17,258,320
Total Financial Asset	688,079	4,867,538	5,409,969	6,606,871	18,002,294
Interest repricing gap	688,079	4,867,538	5,409,969	6,606,871	18,002,294

At 31 December 2022	Up to Month	1-3 Months	3-12 Months	Over One Years	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Government Securities:	203,994	-	4,849,302	4,715,018	9,768,314
Mutual Fund	241,828	5,742,234	5,409,969	5,862,897	17,256,928
Total Financial Asset	445,822	5,742,234	10,259,271	10,577,915	27,025,242
Interest repricing gap	445,822	5,742,234	10,259,271	10,577,915	27,025,242

5.2.2 Currency risk

The Fund's currency risk is managed on a daily basis by the investment manager in accordance with the policies and procedures in place. At 31 December 2023, all assets and liabilities of the Fund were denominated in the presentation and functional currency therefore there is no currency mismatch.

5.2.3 Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

Price risk is managed by the investment manager by diversifying the portfolio. The Fund may invest up to of 30% of its total net asset value in government securities of the same issue.

Except with the prior approval of the Commission, the fund manager shall not for or on behalf of the Fund;

- Invest in commodities, futures or option
- Invest more than 10% of the net asset value of the Fund in any type of real estate other than the securities of real estate companies or companies that have engaged in real estate investment activities.
- Invest more than 25% of the net asset value of the Fund in securities issued by a single issuer.
- Invest more than 10% of the net asset value of the Fund in any particular securities issued by a single issuer.
- Invest more than 10% of the net asset value of the Fund in other collective investment schemes.
- Invest more than 15% of the net assets value of the Fund in securities not listed or quoted on an authorised stock exchange.

5.3 Market risk (cont'd)

5.2.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities with financial instruments, either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

The Fund's objective is to manage operational risk so as to balance the limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to investors. The primary responsibility for the development and implementation of controls over operational risk rests with the board of Directors. The Directors' assessment of the adequacy of the controls and processes in place at the service providers with respect to operational risk is carried out via regular discussions with the service providers and a review of the service providers' operational reports on internal controls.

Substantially all of the assets of the Fund are held by Stanbic Bank Limited. The bankruptcy or insolvency of the Fund's Custodian may cause the Fund's rights with respect to the securities held by the Custodian to be limited. The Investment Manager monitors the credit ratings and capital adequacy of its Custodian on a regular basis.

5.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's policy and the investment manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of shares, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's financial assets include listed equity investments, which are generally liquid. In addition, the Fund holds investments in government security and fixed deposits from financial institutions. The Fund's investments in listed securities are considered to be readily realisable because they are traded on the Ghana Stock Exchange. The Fund's liquidity risk is managed on a daily basis by the Fund Manager in accordance with the policies and procedures in place. The Manager of the Fund will at all times maintain prudent levels of liquidity. The Fund, for liquidity purposes, will invest a maximum of 10% of its Net Assets in short term securities or near cash investments. Borrowing which are approved by the Board of Directors of the Fund may be done for the purpose of ensuring liquidity, if the need arises. This may not be more than 10% of the total net assets of the Fund

5.3 Liquidity risk (cont'd)

5.3.1 Non-derivative financial liabilities and assets held for managing liquidity risk

The table below presents the cash flows payable by the Fund under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the balance sheet date.

The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2023	Up to Month	1-3 Months	3-12 Months	Over One Years	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Liabilities:	-	-	-	-	-
Accounts Payable	997,980	-	-	-	997,980
Total Liabilities	997,980	-			997,980

At 31 December 2023	Up to Month	1-3 Months	3-12 Months	Over One Years	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Asset:	-	-	-	-	-
Fixed Deposit /Mutual Fund	688,079	4,867,538	5,839,806	5,862,897	17,258,320
Investment in Listed Equities	-	-	-	743,974	743,974
Government Securities	1,089,442	471,520	-	5,955,832	7,516,794
Cash & Cash Equivalents	935,714	-	-		935,714
Assets held for managing liquidity	2,713,235	5,339,058	5,839,806	12,562,703	26,454,802
Liquidity gap	1,715,255	5,339,058	5,839,806	12,562,703	25,456,822

At 31 December 2022	Up to Month	1-3 Months	3-12 Months	Over One Years	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Liabilities:	-	-	-	-	-
Accounts Payable	1,914,104	-	-	-	1,914,104
Total Liabilities	1,914,104	-			1,914,104

At 31 December 2022	Up to Month	1-3 Months	3-12 Months	Over One Years	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Asset:	-	-	-	-	-
Fixed Deposit	241,828	5,742,234	5,409,969	5,862,897	17,256,928
Investment in Listed Equities	-	-	-	726,082	726,082
Government Securities	203,994	-	4,849,302	4,715,018	9,768,314
Cash & Cash Equivalents	538,966	-	-		538,966

Assets held for managing liquidity	**984,788**	**5,742,234**	**10,259,271**	**11,303,997**	**28,290,290**
Liquidity gap	**(929,316)**	**5,742,234**	**10,259,271**	**11,303,997**	**26,376,186**

5.4 Fair value of financial assets and liabilities

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Fund determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Fair Value Hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Fund's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (adjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates and other premiums used in estimating discount rates.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Fund uses widely recognised valuation models for determining the fair value of common and more simple financial instruments that use only observable market data and require little management judgement and estimation.

Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. FINANCIAL RISK MANAGEMENT (CONT'D)

b. Accounting classification and fair values of financial assets and liabilities

The table below shows the carrying amounts and fair values of financial assets and liabilities in the statement of financial position and their categories. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

At 31 December 2023	Amortized Cost GH¢	Total FVTPL GH¢	Carrying Amount GH¢	Fair Value GH¢
Financial asset measured at fair value	-	-	-	-
Investment in listed equities		743,974	-	743,974
Investment in Gov't Securities			7,516,794	7,516,794
Financial asset not measured at fair value				
Fixed Deposit	11,435,359		11,435,359	
Cash & Cash Equivalent	935,714		935,714	
Mutual Fund	5,862,897		5,862,897	
	18,233,970		**18,233,970**	**8,260,768**
Financial asset not measured at fair value				
Accounts Payable	**997,980**		**997,980**	

At 31 December 2022	Amortized Cost GH¢	Total FVTPL GH¢	Carrying Amount GH¢	Fair Value GH¢
Financial asset measured at fair value	-	-	-	-
Investment in listed equities		726,082	-	726,082
Investment in Gov't Securities			9,768,314	9,768,314
Financial asset not measured at fair value				
Fixed Deposit	17,256,928		17,256,928	
Cash & Cash Equivalent	538,966		538,966	
	17,795,894		**17,795,894**	**10,494,396**
Financial asset not measured at fair value				
Accounts Payable	**1,914,104**		**1,914,104**	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. CAPITAL MANAGEMENT

At 31 December 2023, the Fund had GH¢25,456,821 (2022: GH¢26,336,250) of redeemable share capital classified as equity.

The Fund's objectives when managing capital, which is a broader concept than 'equity' on the face of balance sheet, are:

- To comply with the capital requirements set by the regulator;
- To safeguard the Fund's ability to continue as a going concern so that it can continue to operate;
- To provide returns to shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support development of its business.

The Fund's adjusted net debt to equity ratio at 31 December was as follows:

	2023 GH¢	2022 GH¢
Total Liabilities	997,980	1,914,104
Less Cash & Cash Equivalent	(935,714)	(538,966)
Net Debt	(62,266)	(1,375,138)
Equity	25,456,821	26,336,250
Net Debt to Equity	**0.25%**	**5.22%**

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Fund's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of the financial statements.

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

Fair value of financial instruments

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or broker price quotations.

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Models are calibrated to ensure that outputs reflect actual data and comparative market prices.

8. INTEREST INCOME CALCULATED USING THE EFFECTIVE INCOME METHOD

	2023	2022
	GH¢	GH¢
Interest on Fixed Deposit	2,527,171	2,015,578
Interest on Government Securities	1,292,470	1,801,464
	3,819,641	**3,817,042**

9. Other Expenses:

	2023	2022
	GH¢	GH¢
Other Expenses (AGM)	25,000	20,000
Bank Charges & CSD	1,356	4,386
	26,356	**24,386**

10. NET INCOME FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Unrealised loss on listed equity investment

	2023	2022
	GH¢	GH¢
Cost of Investment at January	773,159	773,159
Additions	-	-
Cost of Investments at 31 December	773,159	773,159
Fair Value of Investment	743,974	726,082
Fair Value Loss/Gain	(29,185)	(47,077)
Recognized Fair Value (Loss)/Gain Prior Year	47,077	(61,676)
Net Loss from Financial instruments at FVTPL	**17,892**	**(108,753)**
Realized Gain on Financial Instruments at FVTPL	-	-
Dividend	15,100	73,947
	32,991	**(34,806)**

12. GOVERNMENT SECURITIES

	2023	2022
	GH¢	GH¢
Government of Ghana Bonds at Fair Value	5,955,833	8,209,314
Government of Ghana Treasury Bills at Fair Value	1,560,961	1,559,000
	7,516,794	**9,768,314**

13. FIXED DEPOSIT

	2023 GH¢	2022 GH¢
NDK Financial Services	4,275,160	7,466,819
Dalex Finance	6,933,092	3,700,105
SIC Financial Services	71,940	71,940
CDH Savings & Loans (Receiver)	155,167	155,167
Less Impairment	(39,936)	(39,936)
	11,395,423	**11,354,095**

14. INVESTMENTS IN LISTED EQUITIES

	Number of Shares	2023 Value GH¢	% Net Assets	Number of Shares	2022 Value GH¢	% Net Assets
Banking						
Cal Bank Limited	53,829	25,838	**0.10**	53,829	34,989	**0.13**
Ecobank Ghana Limited	20,230	111,265	**0.44**	20,230	134,127	**0.50**
GCB Bank Limited	36,960	125,664	**0.49**	36,960	145,622	**0.54**
Standard Chartered Ghana Limited	6,277	110,161	**0.43**	6,277	126,544	**0.47**
Societe General Ghana Limited	123,582	194,024	**0.76**	123,582	123,582	**0.46**
Insurance						
Enterprise Group Limited	30,658	73,273	**0.29**	30,658	98,106	**0.37**
Oil Marketing Companies						
Total Petroleum Ghana Limited	1,900	17,100	**0.07**	1,900	7,600	**0.02**
Ghana Oil Fund Limited	2,500	3,750	**0.01**	2,500	4,300	**0.02**
Telecommunication						
MTN Ghana Limited	54,000	75,600	**0.30**	54,000	47,520	**0.18**
Manufacturing (FMCG)						
Unilever Ghana Limited	900	7,299	**0.03**	900	3,492	**0.01**
		743,974			**726,082**	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. ACCOUNTS PAYABLE

	2023	2022
	GH¢	GH¢
Accrued custodian fees	38,835	102,216
Management Fees Due to UMB IHL	641,642	1,605,265
Accrued audit fees due UMB IHL	75,000	75,000
Accrued AGM Expenses due UMB IHL	63,918	59,016
Directors Fees & Expenses due UMB IHL	64,904	17,550
Other Payables	55,058	55,058
Accrued Audit Fees -2023	33,623	-
Accrued AGM Fees-2023	25,000	-
	997,980	**1,914,104**

16. CAPITAL ACCOUNT

Description	Number of Shares	2023	Number of Shares	2022
		GH¢		GH¢
Shares in Issue at 1 January	**68,398,279**	**16,570,861**	**81,848,969**	**17,917,201**
Shares Issue During the Year	1,152,654	**491,472**	6,985,368	2,788,043
	69,550,933	17,062,332	88,834,337	20,705,244
Shares In Redeemed	(5,850,896)	(1,767,471)	(20,436,058)	(4,134,384)
Shares In Issue at 31 December	**63,700,037**	**15,294,861**	**68,398,279**	**16,570,860**

17. FUND MANAGEMENT FEES

The Fund appointed UMB Investment Holdings Limited, an Investment Management Company incorporated in Ghana, to implement the investment strategy as specified in its prospectus. Under the investment management agreement, the Investment Manager receives a management fee at an annual rate of 2.5% of the net asset value attributable to holders of redeemable shares as defined in the prospectus. The investment management fees incurred during the year amounted to GH¢ 669,169 (2022: GH¢672,473).

18. RELATED PARTY TRANSACTIONS

a. *Due to UMB Investment Holdings Limited (UMB IHL)*

UMB Investment Holdings Limited is the Fund Manager of the Fund. The Fund's operations and payments are carried out by the Fund Manager on behalf of the Fund. The transactions during the year and balance at 31 December were as follows:

	2023	2022
	GH¢	GH¢
Due to UMB IHL	845,464	1,672,814
Transaction with UMB IHL (Note 17)	845,464	1,672,814

19. RETAINED EARNINGS

	2023 GH¢	2022 GH¢
At January	9,765,390	7,310,324
Adjustment Due to Initial Adoption of IFRS 9	-	-
Adjustment	(4,902)	-
Increase in Net Asset Attributable to Holders of Redeemable Shares	401,472	2,455,066
At 31 December	**10,161,960**	**9,765,390**

20. CASH AND CASH EQUIVALENTS

	2023 GH¢	2022 GH¢
Deposit with Stanbic Bank	873,734	508,534
Deposit with Universal Merchant Bank	60,409	24,925
MTN Mobile Money Balance	139	45
Deposit with CBG	1,432	5,462
	935,714	**538,966**

21. CONTINGENT LIABILITIES AND COMMITMENTS

At the statement of financial position date there were no contingent liabilities and commitments (2022: Nil).

22. RECLASSIFICATION OF GOVERNMENT SECURITIES (BONDS)

The Fund during the period reclassified the measurement of government bonds from at amortized cost to at FVOCI. This was in compliance with SEC, Ghana directive in October 2023. The initial differences as a result of the reclassification has been recognized in the profit or loss. Subsequent gains or losses that may arise as a result of price changes would be through other comprehensive income (OCI)

23. EVENTS AFTER THE REPORTING PERIOD

The COVID -19 pandemic has severely affected Ghana fiscal and debt situation, rising domestic borrowing costs and exchange rate volatilities.

The Ghana Government in responding to these threats, began a debt restructuring effort in January 2023. The Domestic Debt Exchange programme to be borne by the Domestic Financial Market was part of an International Monetary Fund programme discussions. The programme is aimed at restoring economic stability, debt and financial sustainability, leading to economic growth.

"The invitation to exchange is an arrangement through which holders of Eligible bonds will submit their holdings of eligible bonds denominated in Ghana cedis for a new benchmark government of Ghana bonds with the same aggregate principal amount and which have in the aggregate a

Lower average coupon and an extended average maturity than the eligible bonds."

At the date of authorization of the Financial Statement, UMB Balance Fund Limited is operating normal. The ultimate impact of the domestic debt exchange programme on the Fund's future operations is still being assessed.

The Fund will continue to closely monitor the post pandemic global and domestic economic growth risk and Government responses to assess its impact on the operations of the fund.

No other events have occurred since the end of the reporting period that would have had a material effect on the financial statements or require disclosure.